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Bookkeeper's guide to approving invoices efficiently

How approval automation helps to overcome some of the most common problems in the accounts payable process





Common challenges in the invoice authorisation process

Heaps of paper and manual work

A paper-based process for invoice approval relies on people being available to physically sign, on time. Invoices can easily get lost or overlooked, and keeping track of where they are at any given moment is extra work. As we live in the 21st century, it might seem like a good idea to use emails instead. However, someone needs to send all those emails, keep an eye on the approval process and chase approvers. With 100s of emails we get every day, it becomes a tedious process. Plus, the risk of invoices going missing in a busy inbox is just as high as losing a paper copy.

Delayed or missed payments

Such cumbersome processes inevitably lead to delayed or missed payments. When bills are not paid on time, the vendor is likely to send follow-up invoices and you end up with duplicates. The activity statements from vendors become confusing, and the search for potential duplicates of overdue invoices is unwelcome additional work. The relationship with vendors might suffer, financial reporting becomes unreliable, and accurate forecasting is almost impossible.

Shared responsibility with the client

Outsourced accounts payable administration is often a pain for both the client and the practice. Clients get swamped with emailed approval requests or text messages, and the practice spends a lot of time chasing approvers and following up on the emails that didn't get a reply. If payments are due but the respective invoices are still not approved, the practice employees face a tough decision: delay the payments and bear the negative impact this will have, or pay and risk harming the relationship with their client. What if the client is in a dispute with that vendor over an invoice and you decided to pay it? A tight spot to be in.

Audit process

For organisations that get inspected by external auditors or have strict internal requirements, it is crucial to keep track of who approved what and when. Paper-based approvals come with loads of paper filing, making audit preparations really time-consuming. And it's not much faster if authorisations are handled by email because it usually still takes several days to compile the relevant records for retracing the approval flow. Email conversations also have a tendency of getting lost, especially if staff members have moved on and their email addresses were disabled.

Poor data quality

With a paper- or email-based system it's impossible to obtain high-quality accounting data with the correct account code and business context, which simply gets lost when finance approvals are made weeks or months after the payment has left the bank. When the business approvers who actually know the context do their reviews too late to remember the details of particular transactions, they generalise the spending description instead.

What is a good invoice approval process?

So, how do you put an end to these struggles? Well, the answer is: invoice approval automation. A system with automated notifications and approval routing enables timely reviews and coding, eliminates manual intervention, ensures that payments are always on time and improves data quality significantly. In a nutshell, any approval process can benefit from automation:

- Stronger and streamlined financial controls
- Focus on high-value services instead of chasing approvers and decision makers
- Shared responsibility with the client for on-time payments made with confidence
- Fully traceable authorisations and automatically generated audit trails
- Properly coded data for accurate reporting and forecasting



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ApprovalMax, the leading approval automation app for Xero and QuickBooks Online, replaces paper and email approvals with fully automated workflows that support multiple roles and several approval levels. This streamlines the accounts payable and accounts receivable process, enables spend control and facilitates regulatory compliance.

Great app for workflows and eliminating invoices being lost through passing around for approval and email approvals processes. Seamless integration with Xero. Can see an immediate improvement in approval workflow efficiencies and time spent approving invoices. Mobile app works well too.



Reece Jory
Xero App Store review

ApprovalMax has automated our approvals and saved us so much time, money and stress. It is an absolutely vital Xero add-on for companies with multiple people involved in purchasing, ensuring seamless approvals with a full audit trail. Straightforward to set up and administrate, intuitive and accessible for our non-finance employees involved in the buying process, and really well designed with the end user in mind.



Suran Moodley
Xero App Store review

An amazingly simple to use app that integrates brilliantly with Xero and has enabled us to eliminate paper-based approvals and all the associated risks. Added benefit of having the app on your laptop and mobile phone to enable quick and easy approvals, comments, queries and to access historical info.



Suran Moodley
Xero App Store review

Customers ❤️ using ApprovalMax



Do I need approval automation?

These benefits do sound good but you still think you can manage authorisations without a special app? Then it's time you had a look at this checklist. Check the boxes for all the statements that apply to your organisation. If any of the statements below are true – approval automation is for you

1 You spend more than 30 minutes per week on chasing approvers

The time you spend on approvals ought to be minimal and merely involve the review of exceptions or rejections. Instead of routing documents and chasing approvers, you'd probably prefer to focus on more challenging tasks.



2 Your clients have several authorisation levels

The complexity of chasing approvers and tracking delayed approval decisions multiplies if there is more than one authorisation level. Even if it's only two it is wise to automate the process because, otherwise, you'll become a hub for routing and tracking approval requests.



3 You have to approve more than 30 bills or purchase orders each month

Handling just a few requests manually might be possible with reasonable effort, even if you have a very complex approval process. But with 30 or more bills every month, processing turns into a lot of effort and bears the risk of significant time waste.



4 You are not in the same office with the budget holders or decision makers

The time you spend on approvals ought to be minimal and merely involve the review of exceptions or rejections. Instead of routing documents and chasing approvers, you'd probably prefer to focus on more challenging tasks.



5 You spend more than 30 minutes compiling approval logs for audit purposes

Organisations that get checked regularly need an easy way to keep the authorisation history available for auditors, without a time-consuming procedure to compile the logs. If you let an approval automation system track and capture all approval decision details automatically, audit reports can be prepared in next to no time.



Approval automation: the most important features and capabilities

Multi-step and multi-level approvals

In ApprovalMax, approval workflows are as complex or as simple as you need them. They can have any number of steps and a variety of rules for each of them. No matter how complex a delegation of authority policy is, you can automate it with ApprovalMax.

Keeping approvers out of the accounting system

Granting everyone access to the accounting system is not safe because it's impossible to limit users in terms of what they can do or view there. ApprovalMax approvers don't need access to the general ledger and only ever see information relevant to the documents that require their approval.

Automatically generated audit reports

You no longer need to waste time on preparing audit logs. ApprovalMax creates for each approved document a detailed audit report, which gets attached to the transaction in the accounting system. There's also an option to show auditors the approval workflows in read-only mode so that they can easily analyse the entire process.

Bill-to-purchase order matching

In ApprovalMax, you can match bills to the already approved purchase orders from the same supplier to ensure correct coding and facilitate additional spend control. By adjusting the approval workflow settings, it's also possible to prevent the approval of any unmatched bills.

Approving from anywhere any time

With the ApprovalMax mobile apps for iOS and Android it's really easy to raise purchase orders and approve requests without the need to be physically present in the office.

Budget Checking

ApprovalMax shows approvers for each purchase order or bill the related budgets impacted by their decision so that they can check the available funds for a particular period. For purchase orders they can decide on the go whether the budget allows to order more, or an adjustment is needed. Once an approval has been completed, the remaining budget will be recalculated accordingly.

An added bonus

Did you know that 25% of invoices going through ApprovalMax get approved within the first 2 hours, and 50% in less than a day? Imagine looking at the financial performance of a business in real time – yes, it's finally possible!

Where do I start with approval automation?

Choose the first client you want to implement it for

It's a good idea to start small with new things. You might want to try an approval automation system for one of your clients before going the whole hog, but which one do you pick?

Here are some business types that usually benefit most from automated approval workflows:

- 1
 - Any business that has a significant number of bills to be paid every month
 - Organisations with complex purchasing or spend control policies that involve several authorisation steps
 - Multi-entity businesses in need of centralised spend management
 - Not-for-profits with external audits and strict budgets
 - Investor-driven start-ups looking for accurate financial reporting

Start a free trial to get to know the app and check out the available onboarding and learning materials

- 2

You can try ApprovalMax for free without any commitments. In order to get you up and running, we offer [weekly product demos](#) where our experts demonstrate the capabilities of our tool and answer all your questions



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3

Connect to your accounting system, set up the workflows, invite approvers

Once you've completed these three steps, you no longer need to manage authorisations manually!



4

For your bookkeeping practice we have a Partner Programme with added benefits including access to our exclusive Training & Certification.

You can [start right away](#), or [book a meeting with our expert team here](#).

[Click here to get started with ApprovalMax](#)